

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 28  
(MC2016-106)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-134

**NOTICE OF UNITED STATES POSTAL SERVICE OF  
AMENDMENT TO PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 28,  
WITH PORTIONS FILED UNDER SEAL  
(July 20, 2017)**

The Postal Service hereby provides notice that prices under Priority Mail Express & Priority Mail Contract 28, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Express & Priority Mail Contract 28 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The supporting financial documentation and a certified statement, as required by 39 C.F.R. § 3015.5, are included with this filing. The certified statement is provided in Attachment B. Redacted versions of the financial analysis are being filed today along with this pleading. Unredacted versions are being filed under seal. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
By its attorneys:

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Acting Chief Counsel  
Pricing and Product Support

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July 20, 2017

**ATTACHMENT A**

**REDACTED AMENDMENT TO  
PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 28**

**AMENDMENT #1**  
**OF**  
**SHIPPING SERVICES CONTRACT**  
**BETWEEN**  
**THE UNITED STATES POSTAL SERVICE**  
**AND**  
[REDACTED]  
**REGARDING**  
**PRIORITY MAIL EXPRESS**  
**AND**  
**PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service (“the Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract regarding Priority Mail Express and Priority Mail Service, Priority Mail Express & Priority Mail Contract 28/Docket No. CP2016-134, on March 14, 2016.

WHEREAS, the Parties desire to amend the terms in Sections I.B, I.D, I.F, I.G (with Contract Package price tables), I.I.1 and III.C of the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.B, I.D, I.F, I.G (and replace price tables with new Table 1), I.I.1 and III.C, as follows.]

**I. Terms**

- B. This Contract applies to Customer’s outbound Priority Mail Express Flat Rate Envelopes, and Customer’s Priority Mail packages [REDACTED] [REDACTED] paying prevailing Priority Mail Commercial Plus published prices (collectively, “Contract Packages”).
- D. Volume Commitment. Customer should ship at least [REDACTED] Contract Packages and all other Priority Mail Express packages annually. If the volume falls below the annual volume commitment for any Contract Year, the Postal Service at its sole discretion has the right to revert Customer to the most current Priority Mail Express Commercial Plus prices.
- F. The Postal Service will not provide Customer with customized or specialized packaging for Contract Packages.

- G. The following prices in Table 1 below apply to Customer's Priority Mail Express Contract Packages from the effective date of this Amendment until the subsequent anniversary of the Contract's effective date. For the remainder of this contract, Customer shall receive the prevailing Priority Mail Commercial Plus Prices for Priority Mail Contract Packages.

**I. Annual Adjustment**


1. For subsequent years of the contract, beginning on the second anniversary of the contract's effective date, customized Priority Mail Express prices under this contract will be the previous year's prices plus the most recent (as of the anniversary date) average increase in prices of general applicability, as calculated by the Postal Service, for Priority Mail Express Commercial Plus.

**III. Expiration, Termination and Extension**

C. Extension. If, at the conclusion of this Contract term, both parties agree that a preparation of a successor SSC is active, the SSC will be extended for up to (2) ninety (90) calendar day periods with official notification to the Commission at least seven (7) calendar days prior to the Contract's expiration date. Upon both Parties agreement of the extension, the escalation clause will be implemented in Section I.I, throughout the extension period.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

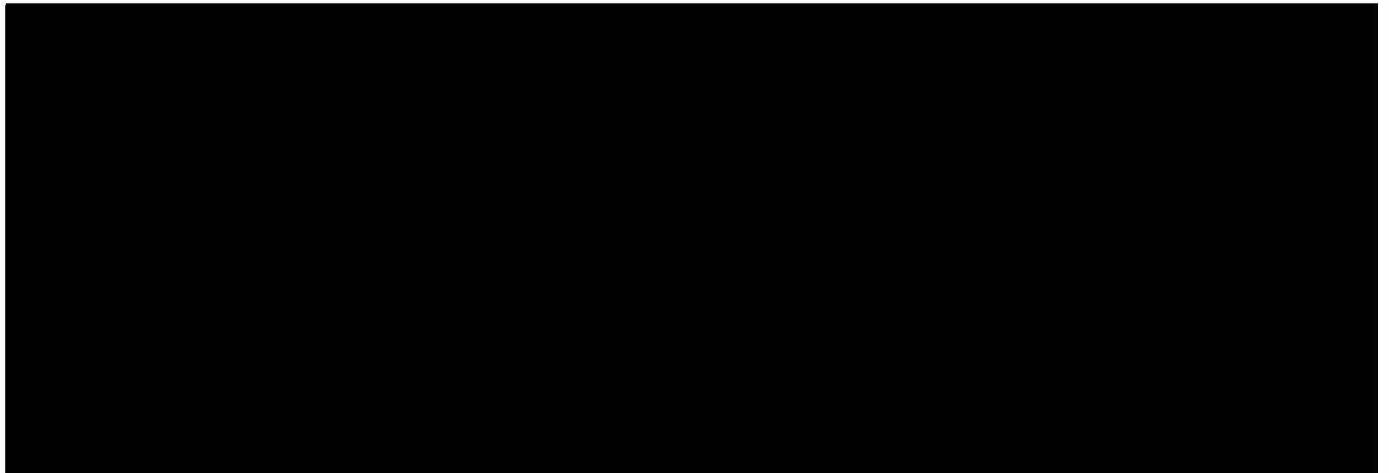
UNITED STATES POSTAL SERVICE

Signed by: 

Printed Name: Cliff Rucker

Title: Senior Vice President, Sales and Customer Relations

Date: 6/26/17



**ATTACHMENT B**  
**FINANCIAL CERTIFICATION**

**Certification of Prices for Amendment to  
Priority Mail Express & Priority Mail Contract 28**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Express & Priority Mail Contract 28. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on in the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Steven  
Phelps**

Digitally signed by Steven Phelps  
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email=steven.r.phelps@usps.gov,  
c=US  
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Steven R. Phelps